

Saving

Lesson 2: Teacher's Guide | Rookie: Ages 11-14

FINANCIAL FOOTBALL

Get a Game Plan for Saving

Savings are essential for building wealth and reaching financial goals. This 45-minute module builds students' saving awareness and skills.

Getting Your Class Game-Ready: A touchdown in football is often the most dramatic moment of the game: when a player reaches the end zone in the final seconds, the crowd goes wild. While these exhilarating game-day feats tend to become our focus, those moments are the result of countless hours spent practicing and honing skills. The most successful players on the field are often the most disciplined. They have established good training habits on and off the field and are focused on learning how to maximize their performance.

Financial fitness is very similar. We often focus on the exciting big moments, like buying our first car or moving out on our own. Yet those moments would not be possible without building habits to save money. Just like athletes learning the strategies that work best for them on the field through practice, we can each identify strategies and tools that build our ability to save and reach our financial goals.

Module Level: Rookie, Ages 11-14

Time Outline: 45 minutes total

Subjects: Economics, Math, Finance, Consumer Sciences, Life Skills

Materials: Facilitators may print and photocopy handouts and quizzes, and direct students to the online resources below.

- **Pre- and Post-Test questions:** This short grouping of five questions may be used as a quick, formative assessment for the Savings module or as a Pre- and Post-Test at the beginning and completion of the entire module series.
- **Practical Money Skills Savings resources:** practicalmoneyskills.com/ff23
- **SMART Savings Goals handout:** Students will examine goal-setting criteria, then set some of their own.
- **Savings Best-Case Scenario handout:** Students will work with a partner or small group to identify the savings options for each situation.

Overview, cont.

- **Written Exercise: Compound Interest handout:**

Students can find the magic of compound interest with some simple calculations.

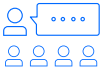
- **Save a Million handout:** Students create a plan to save a million with a partner or small team.

- **Glossary of Terms:** Learn basic financial concepts with this list of terms.

Icon Key

**Activity**

Assign the given activity to students and have them complete it individually or with a group, depending on the instructions.

**Ask**

Pose questions to your students and have them respond.

**Assign**

Designate individuals or groups to complete a particular assignment.

**Debrief**

Examine the activities as a whole group and compare answers and findings.

**Did You Know?**

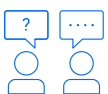
Share these fun facts with students throughout the lesson.

**Pre- and Post-Test**

Have students take the Pre-Test before the lesson, and take the Post-Test after completing the lesson.

**Share**

Read or paraphrase the lesson content to students.

**Turn and Talk**

Have students turn to a partner and discuss a specific topic or question.

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Learning Objectives

- Set personal goals for saving
- Explore the benefits of interest and how saving money makes money
- Identify the different types of savings accounts and options
- Discover financial tools and strategies for building savings

Key Terms and Concepts

Before you start the lesson, review the key terms and concepts below. The answers to each question will help you get students prepped and game-ready. Get deeper information around these concepts in the Facilitator Script section on pages 8 to 12 of this guide.

Why save money?

Throughout your life, you will be faced with many decisions about saving and spending. Your goals may vary over time, from smaller purchases like a new smartphone to larger purchases, such as a car or a house, to long-term savings for starting your own business or planning for retirement. There are some life events that you can plan and save for, like heading to college, but it's impossible to foresee all unplanned expenses. That's what makes saving important — so you'll be prepared for any type of expense by having money set aside.

How much should you save?

Saving is essential for building your long-term wealth, and it is important to save early in life and often. Regardless of your age, you should save a percentage every time you receive money, whether it's from a paycheck or a monetary gift. The everyday decisions you make about money can have a lifelong impact. Saving allows you the freedom and flexibility to fulfill your goals and helps you develop good personal finance habits. Pay yourself first. Determine a set amount of money to put away every month and treat it like any other bill. Put away part of every paycheck — ideally a minimum of 10% — and watch your savings grow.

What are the best strategies for saving money?

- Create a budget and stick to it
- Pay yourself first
- Save your raises
- Save your windfalls, such as birthday money
- Keep emergency savings liquid (easily accessible)
- Set financial goals to keep yourself on track
- Consider your options to grow your money

Learning Objectives, cont.

Do you need a savings account to save?

Choosing the right savings method is dependent on a few factors: how much money you hope to save, how accessible you need the funds to be, and when you'll want to withdraw them. Having a savings account with a financial institution offers a variety of advantages over saving in a shoebox, under the mattress, or in a general checking account.

What are the benefits to having a savings account?

A savings account offers the benefits of security, convenience, and potential to earn interest. For high school students, they could be saving money for a car loan or college fund.

What types of savings accounts are there? How do I choose between them?

There are many categories of savings accounts to choose from. You can use one savings account or multiple accounts to organize your money for various purposes.

- Basic bank savings account — A savings account where you can deposit and store cash securely while earning interest on your money.
- Money market account — This type of account has many of the same characteristics of a traditional savings account, but also adds a safe, conservative element of investment.
- Online savings account — This type of account is available online only and might have a higher interest rate than one available through a brick-and-mortar financial institution.
- Credit union — For this type of “share account”, it is essential to obtain membership to the credit union. You'll also have access to their other services.
- Automatic savings plan — With this plan, you can automatically deposit funds to your savings account on a scheduled time, such as when a biweekly paycheck is deposited directly into your account.

How do investments and retirement savings plans grow my money over time?

While you may not be thinking about retirement savings plans now, it is something to think about contributing to when you get your first job after graduating from school. If you are able to leave your savings alone for a longer period of time, from several months to years, investments and retirement plans can allow you to earn greater amounts of interest. Unlike with regular bank accounts, if you want to withdraw money, you may face a steep penalty.

How does interest work?

The difference between saving money in a jar at home and in a savings account at a bank is how your principal (your money) grows. At home, your money grows only when you add (deposit) more money (principal) to the jar. In a savings account, your money grows not only when you deposit more money but also by accumulating interest. Interest is

Learning Objectives, cont.

money the bank pays you for leaving it in your savings account. It's as if you are loaning the bank your money. You give them your money to hold. They pay you interest so your money grows. They are able to use your money to fund loans and investments for other people. The interest rate is the percentage amount of your principal that the bank agrees to pay into your account. An interest rate is often referred to as an APR, or annual percentage rate.

Module Section Outline with Facilitator Script

Introduction: Warm-Up



Share: Explain to students that the security an emergency fund provides is an important reason to save. Reinforce that creating positive savings habits can help them reach their goals and be ready for the unexpected.



Optional Pre-Test: Have students turn to page 6 of their Student Activities guide and answer the questions with a, b, c, d or fill in the blank.



Did You Know?

Ask half the room to stand. Tell the group that 40% of Americans do not have enough cash to cover a \$400 emergency.¹

Savings Basics and SMART Goals



Share: Explain to your students that saving is essential to building your long-term wealth, and it is important to save early in life and often. Regardless of your age, you can save a percentage every time you receive money, whether it's from a paycheck or a monetary gift. The everyday decisions you make about money can have a lifelong impact. Saving allows you the freedom and flexibility to fulfill your goals and helps you develop good personal finance habits.

Group poll: One of the most common questions about savings is how much you should save. Take a poll of the class, asking students what they think is the recommended percentage of each paycheck they should save. Is it 2%, 5%, or 10%? Explain that a guideline for consistently saving is to put aside a minimum of 10% of each paycheck.



Share: For many Americans, knowing that we should save is not enough. It takes small, consistent actions to build savings and set a habit. Some strategies for taking action:

- Create a budget and stick to it. Start saving now, even if it's just a few dollars a week.
- Pay yourself first, with a split deposit into checking and saving.
- Save your raises.
- Save your windfalls, such as birthday money.
- Keep emergency savings easily accessible — this is called liquidity. For example, if you have a checking account, you can take money out without waiting several days or paying any penalties.
- Set financial goals to keep on track.
- Consider your options to grow your money; saving is for short-term goals and emergencies. Savings need to be easily accessible and there should be no risk of loss. Investing is for long-term goals and may be exposed to the risk of loss in return for the opportunity for greater returns.

Module Section Outline with Facilitator Script, cont.



Activity: Lead students in drafting a personal SMART financial goal, after reviewing examples of SMART goals at practicalmoneyskills.com/ff25 or the SMART Savings Goal handout on page 8 of their Student Activities guide. To support setting specific goals, students may also use the Emergency Fund financial calculator: practicalmoneyskills.com/ff27.

Optional Activity: Have students craft a brief note stating their goal and send it to their future self at futureme.org.

Group Discussion: Start a class discussion about potential strategies students could use to overcome obstacles to reaching their goals. Note themes and point out strategies mentioned.

Choosing Savings Options



Activity: Guide students in playing Best-Case Scenario, which is played like the survival card game, Worst-Case Scenario. Break students into pairs or small groups. Have students examine the savings options line graph on the Best-Case Scenario handout on page 9 of their Student Activities guide.



Share: Explain to students that each savings product has its own pros and cons. There are many categories of savings accounts to choose from. You can use one savings account or multiple accounts to organize your money for various purposes. Being a sharp consumer will help ensure you find the products that best fit your needs at any point in life. Ask which product on the line graph (on page 9 of the Student Activities guide) requires a larger initial deposit (CD). Which accounts are more liquid — or allow for easier withdrawals and access to money (checking and savings accounts)?

Savings Accounts

- Basic bank savings accounts offer the lowest interest rates, usually less than 1%. They come with few restrictions on access to your money, and they don't usually have required minimum balances. These accounts, associated with brick-and-mortar banks, can also be accessed online.
- Money market accounts are high-yield accounts that pay interest based on the current market rates. They are likely to require a higher minimum balance than a basic bank savings account.
- Online savings accounts are typically similar to basic bank savings accounts, but they offer higher interest rates because they operate online and don't involve the overhead (operating costs) that standard banks have.
- Credit unions are like banks, but they're owned by their members and may offer higher interest on savings.
- Automatic savings plans are options you can set up for your savings account. You can choose to automatically transfer a set amount from your checking account to your savings account every month.

Certificate of deposit (CD) is a savings option that is best suited to those who have funds that can remain completely untouched for longer periods of time. They differ from savings accounts in that they

Module Section Outline with Facilitator Script, cont.

have a specific fixed term (from three months up to five years or longer) and usually a fixed interest rate. They generally offer higher interest rates. However, you may face a steep penalty if you withdraw money before the term ends.

401(k) plans are retirement savings accounts sponsored by your employer. You contribute up to a certain amount of your own money before income taxes are deducted, which lowers your taxable income. Many employers will match your contributions up to a certain percentage, further increasing your retirement fund.

Individual retirement accounts (IRAs) are personal savings accounts that enable you to put money aside annually. You can also receive tax breaks for these funds.



Assign: Have students work in the same small groups and ask each team to decide which savings product best fits scenario needs and why (continued on page 9 of the Student Activities guide). Teams may reference Choosing Savings Options at practicalmoneyskills.com/ff24.



Share: Remind students of these things to consider:

- Their goal and how much they have to deposit
- Their personal access needs: liquidity
- Interest rates
- Fees

Growing Your Money



Share: Explain to students that saving money doesn't always have to be hard work. You can effectively increase your funds by depositing money in a savings account. In exchange for opening an account and giving the financial institution money, your savings will be increased by a certain percentage every year. This percentage is called interest. The longer you leave your savings untouched, the more your money will grow.



Share: Your money can grow exponentially over time with the magic of compound interest. Compound interest is calculated on both the principal and the accrued interest. Share the formula for compound interest.

Compound Interest Formula:

$$A = P \left(1 + \frac{r}{n} \right)^{nt}$$



Did You Know?

Share how the impact of inflation is another consideration when looking at how our money grows over time. It works in the opposite direction that compound interest does. How many of you have heard about groceries or gas being less expensive in the past? Annual inflation rates in the U.S. have typically been 2 to 3%.²

Module Section Outline with Facilitator Script, cont.

A = Total amount of the future value of the investment/loan with interest

P = The principal, the initial deposit or loan amount

r = The annual interest rate (decimal)

n = The number of times that interest is compounded per year

t = The number of years the money is invested or borrowed

As an optional activity, you can share the Khan Academy video, Introduction to Compound Interest practicalmoneyskills.com/ff29



Activity: Directions: Get your class ready to aim for a million. Have your students to page 11 of their Student Activities guide for the Save a Million handout. Group your students into teams of three or four and direct them to work with their teams to successfully prepare a game plan for reaching that goal.

Financial Calculator: Teams will plan and document a path on their Save a Million handout. They'll use the Save a Million Calculator, practicalmoneyskills.com/ff32 to determine how much they will need to save every month to meet their goal.

Optional Activity: Compound Interest: Written Exercises. Have students practice finding the magic of compound interest with some simple calculations.

Closing: Group Discussion



Share: Walk students through these 5 Tips for Saving:

- 1. Make savings a priority.** Each time you're paid, put a portion of it toward savings. Saving money is a good habit no matter how much or how little you put away each month.
- 2. Automate your savings.** Most financial institutions allow you to automatically transfer funds online or via mobile apps, from checking to savings accounts.
- 3. Find money to save.** Keep track of everything you spend for a week — you'll be surprised where the money goes. Adjust your spending habits a little and suddenly, you're saving.
- 4. Keep the change.** Some supermarkets have machines that count your coins and give you cash in exchange for a small fee. Gather up your spare change, pour it into the kiosk machine, and see how quickly your coins add up. Instead of spending it right away, consider diverting your newfound funds to savings.
- 5. Cancel extra costs.** Check to see if you have any old subscriptions that you're not using anymore, whether it's to a gym, magazine, or streaming service. Many services that you may no longer want could cost you hundreds of dollars per year.

Module Section Outline with Facilitator Script, cont.



Ask: What is one action you plan to take or one savings tip you would share with a friend?



Optional Post-Test: Have your class turn to page 7 of their Student Activities guide to take the optional Post-Test.

¹Federal Reserve Board's 2017 Report on the Economic Well-Being of U.S. Households
²Statista.com

Lesson 2 Saving: Answer Keys

- > Saving Pre- and Post-Test
- > SMART Savings Goals handout
- > Savings Best-Case Scenario handout
- > Written Exercise Compound Interest handout
- > Save a Million handout

Saving Pre- and Post-Test

Directions: Have students refer to the test on page 7 of the Student Activities guide. Have them answer the questions with the most appropriate answer, noting a, b, c, d or filling in the blank.

Answer Key

1. A good reason to save money is:

- a. To pay for college
- b. To buy a car
- c. To go into debt

d. Both A and B

2. How long would it take to save \$20 for a birthday gift, if you saved \$1.25 a week?

(16 weeks)

3. A savings account pays you:

- a. A fixed amount of money every month

b. Interest on your account balance

- c. Every time you use your debit card
- d. Interest on the amount you borrow

4. The interest earned on \$1,000 over three years at 10% compounded annually is:

(\$331)

5. If you need to withdraw your money on short notice, your best saving option is:

- a. A retirement account

b. A savings account

- c. A certificate of deposit
- d. A company stock portfolio

SMART Savings Goals

Lead your class in identifying whether or not certain savings goals meet the following SMART criteria, and in drafting a SMART financial goal. Real-life reasons to save are good motivators. It is helpful to use the SMART criteria when establishing a savings goal.

SPECIFIC goals inspire. Setting a clear goal will help you focus on saving for it.

MEASURABLE goals let you see the real task at hand. By using real numbers, you can measure your progress along the way.

ATTAINABLE goals pay off. When you're setting your goal, ensure that it is realistic and within your reach.

RELEVANT goals make good sense. Set a goal only if you know it will be meaningful in the long run.

TIME-RELATED goals have a real deadline. Setting a time frame for your goal will help you stay committed to reaching it.

Directions: Select the savings goals that correctly incorporate the SMART criteria. Evaluate each savings goal and identify whether the SMART criteria was met for each.

Answer Key

SMART Criteria Met? Yes or No	Savings Goal
No	I'm going to save for a pair of shoes
Yes	I'll have \$150 saved for a pair of shoes in three months
No	I'll have enough money to go to college
No	I'm going to save toward my first car
Yes	I'll have \$3,000 saved toward my first car in one year

Now it's your turn to establish your own SMART savings goal: Lead students in drafting a personal SMART financial goal. To support setting specific goals, students may use the Emergency Fund financial calculator: practicalmoneyskills.com/ff27

Answers will vary

Best-Case Scenario

Break students into pairs or small groups and examine the savings options line graph below. Ask students to select the best answer in the two scenarios in this activity.

Savings options:

Account funds are more fluid

Account holder has less money to save

Account earns a lower interest rate

Account funds are less fluid

Account holder has more money to save

Account earns a higher interest rate



Checking account

Savings account

Money market account

Certificate of deposit (CD)

For more information, see *Choosing Savings Options: practicalmoneyskills.com/ff24*

Answer Key

Scenario 1: Don't let fees eat you alive

Imagine your friends meet you for lunch. They want to open their first savings account. They each only have around \$50 but want to start the habit of saving. Which account do you recommend?

- A. Basic savings account, .25% interest, no minimum balance requirement, no monthly maintenance fees
- B. Online savings account, 1.25% interest, \$4 monthly maintenance fee if average balance is below \$500
- C. Premium savings account, 1.5% interest, \$10 monthly maintenance fee if average balance is below \$1,500

Scenario 2: Make the most of interest

You are entering your junior year in high school and have saved \$3,500 for a car; you want to save another \$1,500 over the next six months. You also want to find a new savings product that has higher interest rates for the \$3,500 you have saved so far. You're OK with the money being less liquid for the next six months. What is your best option?

- A. Online savings account, 1.25% interest, \$4 monthly maintenance fee if average balance is below \$1,000
- B. Money market account, 1.5% interest, \$10,000 minimum deposit, \$12 monthly fee if balance is below \$5,000
- C. Certificate of deposit (CD), 2.5% APY for six months, \$2,500 minimum deposit, withdrawal penalty fee if you take money out before six months ends

The Magic of Compound Interest

Savings Written Exercises

Directions: Calculate how compound interest can help your savings grow by answering the questions in this activity.

Compound interest: The following formula shows how to calculate interest annually.

Compound Interest Formula:

$$A = P \left(1 + \frac{r}{n} \right)^{nt}$$

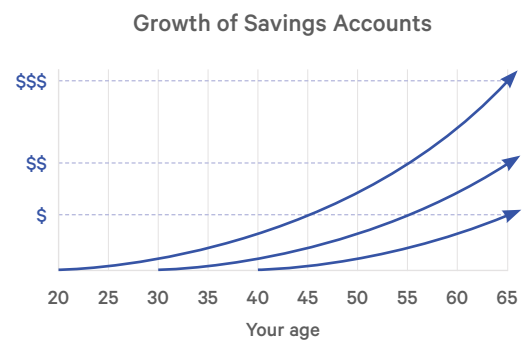
A = Total amount of the future value of the investment/loan with interest

P = The principal, the initial deposit or loan amount

r = The annual interest rate (decimal)

n = The number of times that interest is compounded per year

t = The number of years the money is invested or borrowed



Using the formula for compound interest and the How Will My Money Grow? financial calculator:

practicalmoneyskills.com/ff26

Find how much total savings you would have:

If you made an initial deposit of \$100, then put \$100 in a savings account with a 3% APR every year for 25 years?

_____ (\$3,964.68)

If you made an initial deposit of \$1,000, then put \$1,000 in a money market account with a 4% APR every year for 30 years?

_____ (\$61,571.73)

Using the formula for compound interest and the How Will My Money Grow? financial calculator, determine who will have saved more for retirement.

Ben invests \$2,000 a year from the age of 19 to 26, for a total of \$16,000 invested. His investments earn 12% annually until the age of 65. How much will he have saved by the time he reaches 65?

_____ (\$2,288,996)

The Magic of Compound Interest, cont.

Julia invests \$2,000 a year from the age of 27 to 65, for a total of \$78,000 invested. Her investments also earn 12% annually until the age of 65. How much will she have saved by the time she reaches 65?

_____ (\$1,532,166)

Who will have more saved for retirement?

Ben will have more saved for retirement.

Save a Million

Directions: Get your class ready to aim for a million. Group your students into teams and direct them to work with their team to create a game plan for successfully reaching the goal.

Use the Save a Million calculator to determine how much you'll need to save every month to meet your goal:
practicalmoneyskills.com/ff32

Calculate your team's average age; enter that as your current age below and in the Save a Million calculator.

Answers will vary

Decide as a team when you want to reach a million in savings; if you later decide to change that number in the calculator, record the change below.

Answers will vary

Imagine your team has been saving \$150 a year from gifts and chores since you were age 8. Using your current age above, calculate how much you would currently have in savings.

Answers will vary

Imagine you will be doing chores, then getting a job. As a team, decide how much you could reasonably save on a regular basis.

Answers will vary

How often will you save (weekly, bi-weekly, monthly, yearly)? Why did your team choose that option?

Answers will vary

What interest might you receive? (choose one: basic savings account 1%, certificate of deposit 2%, or investments like stock 7%)

Answers will vary

How many years will it take to reach a million?

Answers will vary

Which choices could you change to reach your goal in fewer years?

Answers will vary; may include increasing amount being saved, increasing frequency of savings, considering higher-interest-rate savings products

Glossary of Terms

Have students study this list of personal finance terms to warm up before playing Financial Football. By mastering these terms, students will have a better opportunity to answer questions in the game correctly and score.

529 plan: A savings plan operated by a state or educational institution designed to help set aside funds for future college costs. Savings deposited in a 529 plan grow tax-free until withdrawn.

American Stock Exchange (ASE): The third-largest stock exchange by trading volume in the United States. It is one of the oldest U.S. stock exchanges and innovator of the exchange traded fund (ETF).

Annual percentage rate (APR): The yearly interest rate charged on outstanding credit card balances.

Bank: A financial institution that invests money deposited by customers, provides loans, and exchanges currency.

Bank services: Services offered by a bank for convenience, such as online banking, automatic transfer, and check cancellation.

Bond: A type of loan in which an investor extends money to the government or a corporation with a set interest rate and maturity date.

Brokerage firm: An organization that charges a fee to act as an intermediary between buyers and sellers of stock.

Capital gains: Profits from the sale of an investment.

Certificate of deposit (CD): A savings certificate issued by a bank, depositing money for a specified length of time.

Checking account: An account at a bank that allows checks to be written and deposited by the account holder.

Compound interest: Interest calculated on both the principal and the accrued interest. Compound interest is what makes savings really grow. A savings account earns interest every day. Each time your interest compounds, it gets added back to your account and becomes part of your principal. With more principal, the account earns even more interest, which continually compounds into new principal.

Contribution limits: Maximum legal limit on contributions to a specific account.

Deposit: Adding a sum of money to your account to increase your account balance.

Depreciation: The decrease in value of assets over time.

Dividend: A share in a company's profits, paid regularly by a company to its shareholders.

Emergency fund: Money set aside for emergency expenses, recommended to cover 3-6 months of expenses.

Estate: The whole of an individual's possessions, including property and debts.

Estate plan: The process of arranging for the dispersal of an individual's estate in the event of death.

Executor: A person or institution appointed to carry out the terms of a will or an estate plan.

Glossary of Terms, cont.

Federal Deposit Insurance Corporation (FDIC): A body that regulates most banks in the United States and insures most private bank deposits. The Federal Deposit Insurance Corporation (FDIC) preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000; by identifying, monitoring, and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails. An independent agency of the federal government, the FDIC was created in 1933 in response to the thousands of bank failures that occurred in the 1920s and early 1930s.

Federal Trade Commission (FTC): A federal agency established in 1914 that administers consumer protection legislation.

Fixed rate: A fixed rate does not fluctuate over the length of the loan or investment term.

Individual retirement account (IRA): A retirement account that allows individuals to contribute a limited yearly sum toward retirement on either a pre-tax (traditional IRA) or after-tax (Roth IRA) basis.

Inflation: The overall increase in the cost of products and services over time.

Interest: A charge for borrowed money, generally a percentage of the amount borrowed.

Interest rate: The rate at which a borrower pays interest for borrowing an item or money, or the percentage rate earned on a given investment.

Invest: To expend money with the expectation of earning a profit on that fund over time.

Investment: An item or financial product on which a consumer expects to earn a profit in the future.

Investment portfolio: A range of investments held by a person or organization.

Investment strategy: A set of rules or procedures to guide an investor's selections.

Liquidity: How easily or quickly you can withdraw your money.

Long-term financial goal: A financial goal that will take longer than a year to achieve.

Money market account: A type of savings account offered by banks that usually earns a higher amount of interest than a basic savings account. The minimum deposit and balance for this account is often considerably higher than the minimum balance of a basic savings account.

Mutual fund: A collection of stocks, bonds, or cash managed by a professional for a fee toward a stated goal.

New York Stock Exchange (NYSE): A New York City-based stock exchange, which is considered the largest equities-based exchange in the world based on total market capitalization.

Principal: The amount of money you deposit in your account to begin saving or the original amount of money borrowed.

Retirement account: An account such as an IRA or 401(k) that helps an individual set aside money for retirement while minimizing tax burdens.

Glossary of Terms, cont.

Savings account: An account where money is kept for future use.

Short-term financial goal: A financial goal that will require less than six months to achieve.

Social Security taxes: A tax on individuals used to fund the U.S. government's Social Security program.

Thrift Savings Plan (TSP): A retirement savings and investment plan for federal employees and members of the uniformed services.

Variable interest rate: An interest rate that fluctuates based on market changes.

Withdrawal: When you take money out of your account, thereby reducing your principal.

Withdrawal limit: The maximum amount a customer is able to withdraw from an account on a given day.

Withdrawal penalty: Any penalty incurred by an account holder for early withdrawal from an account with withdrawal restrictions.